



NEWSLETTER

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Bombay Mercantile Co-operative Bank Ltd.

(Scheduled Bank)

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**HAPPY-
Diwali**

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FROM THE DESK OF CHAIRMAN

Welcome to the October 2025 edition of the BMC Bank Newsletter, your trusted source for insightful updates and the latest developments shaping our transformation journey. Having completed six months of the current financial year, it's time to review the bank's performance. We had set for ourselves ambitious goals across fifteen key performance parameters, covering business growth, operational efficiency, customer service, and digital transformation. It is a matter of concern that we have not been able to achieve the desired results on any of the parameters. While I acknowledge the efforts put in by the management in strengthening the systems, controls and processes, it is time for an honest reflection and collective resolve to work harder and move forward with dedicated efforts to achieve the business targets.

The bank needs to further enhance the internal coordination and strengthen accountability mechanisms.

Greater synergy between business and support functions, in-depth analysis, and improved communication are essential to translate efforts into achievement. We must move beyond mere compliance and foster a culture centered on performance and excellence, where each of us understands how our work contributes to the bank's larger goals. We are a trusted institution with a proud legacy, loyal customer base, and a team of capable, committed professionals. Our fundamentals are strong, and our potential remains immense. The current year must therefore be one of renewed focus, discipline, and transformation. To achieve this, the bank will be introducing enhanced performance monitoring frameworks, clearer accountability structures, and periodic reviews to track progress against key targets. Training, technology adoption, and process simplification will continue to be the key enablers of our turnaround strategy. Let us view this non-achievement of half-yearly targets as a wake-up call to realign our focus and re-energize our efforts. With hard work and dedication, there is no reason why we cannot achieve the annual targets. The Board is fully committed to supporting every initiative that strengthens our performance, employee morale, and customer trust. I am confident that together we shall steer the bank towards a more resilient, agile, and high-performing future. Let us begin the third quarter with a renewed determination, and belief in achieving the desired results.



**ZEESHAN MEHDI,
CHAIRMAN**

From the desk of Managing Director

I extend my heartfelt thanks to all our esteemed Members for your unwavering support and cooperation, which contributed immensely to the smooth and successful conduct of the Bank's Annual General Body Meeting. Your continued trust and confidence in the Bank are deeply valued, and we remain committed to nurturing this relationship with the utmost dedication. We look forward to your continued encouragement, support, and collaboration.

As we navigate the ever-evolving landscape of the banking and financial sector, we are reminded that with every challenge comes an opportunity. The increasing threat of cyber risks, the pressing need for technological transformation, and the growing complexity of regulations may seem daunting—but they are also powerful catalysts for progress and innovation.

Challenges are not roadblocks—they are stepping stones toward growth. In an era marked by rapid change, the ability to embrace innovation becomes essential. Whether you're part of a new-age fintech company or a traditional banking institution, adapting to change is no longer optional — it's the key to thriving in today's dynamic environment.

So, I urge each staff member: do not fear change. Welcome it with courage and confidence, for it is through facing the unknown that we grow stronger, bolder, and wiser. Remember, **you are braver than you believe, stronger than you seem, and smarter than you think.** And above all, **"The harder the struggle, the more glorious the triumph."**

Let us move forward together with strength, purpose, and vision for the Bank.



**(IMRAN AMIN SIDDIQUI)
MANAGING DIRECTOR**



KNOWLEDGE BASE FIRE

In finance, FIRE is an acronym that stands for Financial Independence, Retire Early. It refers to a lifestyle and financial movement where individuals aggressively save and invest a significant portion of their income to accumulate enough wealth to retire much earlier than the traditional retirement age.

The core idea is to achieve financial freedom and live off the returns from investments, enabling them to pursue passions or reduce work hours without being dependent on a regular job.

Key Principles of the FIRE Movement

Aggressive Saving:

Individuals save 50% or more of their income to reach their financial goals faster.

Frugal Living:

To achieve high savings rates, followers of the FIRE movement adopt frugal lifestyles, which includes carefully managing expenses, cooking at home, and eliminating unnecessary subscriptions.

Strategic Investing:

Savings are invested wisely, often in low-cost index funds, to accelerate wealth accumulation and generate returns for early retirement.

Financial Independence:

The ultimate goal is to have enough passive income from investments to cover living expenses, making one independent of a traditional salary.

Early Retirement:

Once financial independence is achieved, individuals can choose to retire completely, transition to part-time work, or focus on activities they are passionate about.

Lending Against Gold and Silver Collateral - Amendment Directions, 2025

As per **RBI directions on lending against Gold and Silver collateral**, a lender shall not grant any advance or loan for **purchase of gold** in any form including **primary gold, ornaments, jewellery, or coins**, or for purchase of financial assets backed by gold, e.g., units of Exchange-traded funds (ETFs) or units of Mutual Funds; and against primary gold or silver or financial assets backed by primary gold or silver. Vide the proposed Amendment Directions, RBI has recently permitted:

Scheduled Commercial banks to grant any **need-based working capital requirements** of a borrower that use gold as a raw material or input in its manufacturing or industrial processing activities.

Tier 3 and Tier 4 Urban Co-operative Banks to also grant working capital loans, on the same lines as proposed for SCBs.

Scheme for Facilitating Accelerated Payout - Inoperative Accounts & Unclaimed Deposits

With an objective to encourage banks to actively pursue customers / depositors for **re-activation** of their **inoperative accounts** and return of their **unclaimed amounts** lying with DEAF to the rightful claimant in a timely and efficient manner RBI has recently announced a scheme for facilitating accelerated payout.

The scheme covers all banks registered under DEAF, all **inoperative accounts** at banks and **unclaimed deposits** transferred to DEA Fund which remain unsettled. The scheme is for one year i.e. from **Oct 01, 2025 to Sep 30, 2026**. Banks will get a payout (incentive) for reactivation of inoperative accounts and settlement of unclaimed deposits. The payout structure include,

Ageing Category	Payout to bank
Up to 4 years	5% of amount or ₹ 5,000, whichever is less
4-8 years	6% of amount or ₹ 10,000, whichever is less
8-10 years	7% of amount or ₹ 15,000, whichever is less
10 years and above	7.5% of amount or ₹ 25,000, whichever is less
The period would be reckoned from the date on which the account became inoperative.	

Banks are required to submit claims for payouts on **quarterly basis** in the prescribed format within one month at the end of each quarter to Reserve Bank. The claim shall be settled by Reserve Bank within **30 days** from its submission.

INDUSTRY NEWS

Launch of Microsite for Banknotes

A microsite <https://indiancurrency.rbi.org.in> for banknotes has been launched by the **Reserve Bank of India** recently. The microsite provides members of the public, a platform to access information on banknotes such as details of the **design and security features** through a **360-degree** view of the banknotes, multimedia (video, audio and animation), interactive games etc. with simple and efficient navigation. The microsite also has a dedicated section for information on exchange of banknotes. The new microsite replaces the earlier microsite <https://paisaboltahai.rbi.org.in>.

Upgradation of India's Sovereign Rating to BBB+ (Stable)

Japanese credit rating agency, **Rating and Investment Information, Inc. (R&I)**, has recently upgraded India's long-term **sovereign credit rating** to 'BBB+' from 'BBB', while retaining the "Stable" Outlook for the Indian economy. This is the third such upgrade by a sovereign credit rating agency this year, following **S&P's upgrade to 'BBB' (from BBB-)** in **August 2025** and **Morningstar DBRS' upgrade to 'BBB' (from BBB (low))** in **May 2025**, reaffirming India's position as one of the most dynamic and resilient major economies in the world.

Government's Borrowing plan for the second half of FY 2025-26

The Government of India, in consultation with RBI, has finalized its **borrowing programme** for the **second half (H2)** of **FY 2025-26**. Government of India plans to borrow **₹6.77 lakh crore** in the **second half of the fiscal year 2025-26 (H2: FY 2025-26)** through dated securities, including **₹10,000 crore** through issuance of **Sovereign Green Bonds (SGrBs)**.

The Gross Market Borrowing of **₹6.77 lakh crore** shall be completed through **22 weekly auctions** till **March 6, 2026**. The market borrowing will be spread over 3,5,7,10,15,30,40 & 50 year securities.

The Government will continue to reserve the right to exercise **greenshoe option** to retain an additional subscription of up to **₹2,000 crore** against each of the securities indicated in the auction notifications. Weekly borrowing through issuance of **Treasury Bills** in the third quarter (Q3) of FY 2025-26 is expected to be ₹19,000 crore for 13 weeks with issuance of ₹7,000 crore under 91 DTBs, ₹6,000 crore under 182 DTBs

and ₹6,000 crore under 364 DTBs, respectively.

To take care of temporary mismatches in Government payments and receipts, the Reserve Bank of India has fixed the **Ways and Mean Advances (WMA) limit** for **H2 of FY 2025-26** at **₹50,000 crore**.

RBI's ECL norms to improve risk management of loans set to kick in from April 2027

The Expected Credit Loss (ECL) framework of provisioning for bad loans, with prudential floors, is proposed to kick in from April 1, 2027, the Reserve Bank of India (RBI) Governor Sanjay Malhotra said on October 1, during the monetary policy announcement.

The norms will be applicable to Scheduled Commercial Banks (excluding Small Finance Banks (SFBs), Payment Banks (PBs), Regional Rural Banks (RRBs)) and All India Financial Institutions (AIFIs), the Governor added.

"The new ECL guidelines (yet to be released) with prudential floors will be implemented from 1 April 2027 and a transition period of 5 years will be given. As per rating agencies, the additional provisioning impact based on earlier rules was 1-2% of loans," Macquarie said in a note.

What are ECL Norms

The guidelines are expected to enhance credit risk management practices and promote better comparability of reported financials, across institutions. The framework is designed to be implemented in a non-disruptive manner with a suitable glide-path, RBI said during the October 1 MPC statement.

The ECL model, proposed by the RBI, mandates that banks will have to recognize stress much earlier, in contrast to the existing regime in which they make provisions after losses are incurred.

BMC BANK NEWS



Congratulations
BM ZAKARIA ZAIDI
Jodhpur Branch
The 1st Qualifier of
CHAIRMAN'S ELITE CLUB 2.0
Thailand
in Early Bird Category

Congratulation to Young Achievers



Congratulations to Mr. Hawaldar Arshan Ayaz Nasreen s/o Mr. Ayaz Hawaldar, Officer L1 at Head Office, for his outstanding performance in Second year of Engineering in Electronics and Telecommunication from Gharda Institute of Technology.

Win a prize of Rs.1000/- to Rs. 5000/-and a certificate of appreciation from the Managing Director for the best article on banking with a beautiful slogan concerning banking activity. The slogan should not be more than 30 words. Win a prize of Rs. 500/- each (3 Nos.) for correct Quiz answer with a beautiful slogan not more than 30 words. Send your article with slogan in sealed envelope mentioning your Name, Code No. and branch to Treasury Department, 2nd Floor, 78, Mohammedali Road, Mumbai – 400 003.

QUESTIONNAIRES

There are nos. of UCB in India.

(a) 1400 (b) 1577 © 1472

2. In LAB Local A..... Bank A stands for.

3. Export Import bank of India is RRB Bank.

(a) True (b) False

4. FIRE stands for

5. EBLR stands for

6. Tier 2 and Tier 1 UCB can grant WC Loan against Gold and Silver collateral.

(a) True (b) False

7. RBI has launched 6 months scheme for inoperative accounts and unclaimed deposits.

(a) True (b) False

8. RBI allows AD Bank to extend rupees loan in Bangladesh.

(a) True (b) False

9. Name of the staff of our bank who has qualified for Chairman's Elite Club 2.0 International Convention at Thailand

10. Government plan to borrow Gross Rs. till March 2026.

(a) 7.13 Lakh crore (b) 5.77 Lakh crore (c) 6.77 Lakh crore

**Your reply should reach
us on or before
31.10.2025**

Quiz result of VOL X Issue 8

Quiz Answer :

1. (b) 2. (c) 3. (39 crores and above) 4. (Liberalised Remittance Scheme)
5. (Financial Intelligence Unit) 6. (15.09.2025) 7. (Vostro a/c is the Rupee account opened by a foreign bank with branch of AD bank in India)
8. (04.10.2025) 9. (Customer Due Diligence) 10.(Rs. 10 Lakhs)



WINNER's NAME: Mohd. Wasim Shaikh
Code No. 4375, JEA, Vadodara branch
**SLOGAN : Where every transaction
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